

News Release



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Labor Department Releases Advisory Opinion on Profile Information Provided by Retirement Plan Fiduciaries

WASHINGTON--The U.S. Department of Labor's Employee Benefits Security Administration (EBSA) today approved the use of "profile" prospectuses by fiduciaries of participant-directed individual account plans under section 404(c) of the Employee Retirement Income Security Act (ERISA).

The rules governing the format and content of "profile" prospectuses are set forth by the Securities and Exchange Commission. In general, a profile prospectus is intended to provide investors with clear and concise information about mutual funds in a format that is designed to communicate information effectively, while avoiding the often confusing technical and legal terms generally associated with the traditional prospectus.

"The availability of profile prospectuses to section 404 (c) participants will make it more likely that potential investors will actually read about the funds in which they invest and will lead to more informed investment decisions by plan participants," said Ann L. Combs, assistant secretary for EBSA.

The opinion makes clear that, while participants may be provided a profile prospectus in lieu of a regular prospectus, investors continue to have a right to the more detailed prospectus if they request it.

Advisory Opinion No. 2003-11A is available on the agency's Web site www.dol.gov/ebsa under "Compliance Assistance" and "Advisory Opinions."

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